

DIVISION OF FINANCE

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STATE OF MISSOURI

March 27, 1998

The attached report represents a consolidation of Reports of Condition filed by state chartered banks with the Missouri Division of Finance as of December 31, 1997 and a comparison with the statements filed one year earlier.

Also included is a comparison of financial statements of state chartered and national banks.

During 1997, the number of state chartered banks and trust companies declined from 387 to 368. Twelve state chartered banks merged with other state banks. Fifteen state banks merged or converted into national banks and one state bank merged into a Kansas state bank. Eight new state bank charters were granted and one national bank converted to a state charter.

Fifteen banks left state regulation during 1997. On December 31, 1996, these banks held \$5.5 billion in assets and \$4.6 billion in deposits, representing 15.4 and 15.2 percent of total state regulated assets and deposits, respectively. Deposit fluctuation of the state banking system was significantly influenced by the actions of NationsBank, N.A., Charlotte, North Carolina; and Mercantile Bancorporation, Inc., St. Louis, Missouri.

Eleven bank subsidiaries of Boatmen's Bancshares with \$2.1 billion in deposits were acquired and merged into NationsBank. Mercantile Bancorporation acquired Mark Twain Bancshares and subsequently merged its banks with \$2.4 billion in deposits into out-of-state affiliates. Two smaller banks with \$148 million in deposits merged into national banks.

This reduction of deposits in state banks was offset by significant acquisitions, primarily from the thrift industry. Mercantile Bancorporation acquired Roosevelt, FSB and subsequently merged it into various affiliates resulting in \$1.5 billion additional deposits in state banks. First Bank, FSB, Clayton, Missouri and First Bank, O'Fallon, Illinois merged into First Bank, Creve Couer, bringing an increase of \$1.7 billion in deposits. New bank charters and the conversion of a national bank to a state charter added another \$181 million.

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Assets in state chartered banks totaled \$36.4 billion on December 31, 1997, an increase of 2.6 percent from one year earlier. Deposits were \$31.4 billion, up 3.1 percent. Adjusting for the banks converting from state regulation, assets and deposits in the remaining banks increased 21.3 percent and 21.6 percent respectively.

Total loans were \$23.3 billion on December 31, 1997, up 1.5 percent. Adjusting for the loss and gain of banks, loans increased 22.2 percent.

Equity capital (adjusted) increased 20.1 percent during 1997. The equity capital ratio was 9.10 percent. Primary capital, which includes the reserve for loan losses, was 9.94 percent.

Adjusted net income in state banks was down 6.7 percent from 1996. Annualized return on assets among state chartered banks was 1.22 percent, down from 1.37 percent in 1996.

Earl L. Manning
Commissioner

**COMPARATIVE STATEMENT OF CONDITION
STATE BANKS AND TRUST COMPANIES IN MISSOURI
AS OF DECEMBER 31, 1997**

THOUSANDS OF DOLLARS	359 BANKS 12/31/97	378 BANKS 12/31/96	INCREASE DECREASE()	PERCENT CHANGE
ASSETS				
Total Loans	\$23,327,700	\$22,986,700	\$341,000	1.5%
Allowance for Loan Losses	337,100	362,300	(25,200)	-7.0%
Total Assets	36,381,900	35,466,500	915,400	2.6%
LIABILITIES				
Total Deposits	31,352,300	30,408,300	944,000	3.1%
Total Equity Capital	3,311,900	3,229,500	82,400	2.6%

OPERATING RATIOS	12/31/97	12/31/96	CHANGE
Capital and Reserves/Assets	9.94%	10.02%	-0.08%
Total Loans/Assets	64.12%	64.81%	-0.69%
Allowance for Loan Losses/Loans	1.45%	1.58%	-0.13%
Return on Assets	1.22%	1.37%	-0.15%

NOTES:

1996 AND 1997 do not include nine nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION
STATE AND NATIONAL BANKS IN MISSOURI
AS OF DECEMBER 31, 1997**

MILLIONS OF DOLLARS	12/31/97			12/31/96	
	359 STATE BANKS	45 NATIONAL BANKS	404 ALL BANKS	430 ALL BANKS	PERCENT CHANGE
ASSETS					
Cash and Due from Banks	1,397	2,305	3,702	6,304	-41.3%
Investment Securities	9,400	7,196	16,596	22,150	-25.1%
Total Loans and Leases	23,328	16,146	39,474	53,243	-25.9%
Less: Reserves	337	247	584	843	-30.7%
Federal Funds Sold	1,246	491	1,737	4,002	-56.6%
Fixed Assets	616	521	1,137	1,371	-17.1%
Other Real Estate	51	14	65	102	-36.3%
Other assets	681	674	1,355	1,971	-31.3%
TOTAL ASSETS	\$36,382	\$27,100	63,482	88,300	-28.1%
LIABILITIES					
Total Deposits	31,352	22,226	53,578	70,564	-24.1%
Deposits over 100M	2,878	1,569	4,447	5,039	-11.7%
Brokered Deposits	46	115	161	164	-1.8%
Federal Funds Purchased	1,154	1,938	3,092	7,755	-60.1%
Other liabilities	564	666	1,230	2,857	-56.9%
Total Equity Capital	3,312	2,270	5,582	7,124	-21.6%
TOTAL LIABILITIES	\$36,382	\$27,100	63,482	88,300	-28.1%
EARNINGS					
Interest Income	2,540	1,827	4,367	6,152	-29.0%
Interest Expense	1,216	834	2,050	2,924	-29.9%
Net Interest Income	1,324	993	2,317	2,158	7.4%
Provision for Loan Losses	63	76	139	156	-10.9%
Net Income	427	333	760	1,188	-36.0%
Cash Dividends	242	175	417	1,163	-64.1%
Net Loan Losses	45	64	109	141	-22.7%